

## BOOK REVIEW

### 50 Economics Classics: The Greatest Books Distilled

Author: Tom Butler-Bowdon

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#### OVERVIEW

As a matter of fact, Economics shapes our lives and drives the modern world, but most of us lack knowledge of the key ideas, thinkers, and writing in the discipline. Reading a huge number of economic books to understand the key ideas of economic thinkers is not an easy task. It takes time to read them all. If you are looking for a shortcut to complete such a difficult undertaking, Tom Butler-Bowdon's "*50 Economics Classics: The Greatest Books Distilled*" is the right choice for you.

Butler-Bowdon, as the notable author of the 50 Classics Series, is a graduate of the London School of Economics and the University of Sydney. He left his job as a political advisor to write the bestselling *50 Self-Help Classics* (2003) - a guide to personal development literature, and then followed that with *50 Success Classics* (2004), *50 Spiritual Classics* (2005), *50 Psychology Classics* (2007), *50 Prosperity Classics* (2008), *50 Philosophy Classics* (2013), and *50 Politics Classics* (2016). In 2017, Butler-

Bowdon authored this compelling book of *50 Economics Classics* as the best option as a shortcut to the most important ideas on capitalism, finance, and the global economy. Importantly, *50 Economics Classics* was awarded a silver medal in the 2018 Axiom Business Book Awards, in the Business Reference category.

#### REVIEW

In *50 Economics Classics*, the broad ideas are presented throughout the book. These ideas are organized by five themes – the spirit of capitalism (12 books), growth and development (12 books), adventures in money and finance (9 books), government, markets and the economy (12 books), and behavioral economics (5 books). These crucial themes intrinsically fit the author's attitude, as he said that "we cannot analyze economic activity separately from state, society and government, the focus of this book is political economy rather than economics in its narrowest sense" (p. 2).

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The book itself contains 50 chapters tour of major economic works, ranging from the year 1776 – 2016. It begins with Adam Smith's *The Wealth of Nations* (1776) (See Chapter 45, pp. 304 - 311) and ends with Deirdre McCloskey's *Bourgeois Equality* (2016) (See Chapter 24, p. 164 - 169) and Joseph Stiglitz's *The Euro* (2016) (See Chapter 47, p. 318 - 325), the two most modern economic works in this important book. As the book itself was released in 2017, any books that were written in 2017 will not be included in this compelling book.

The books in each theme can be presented as follows:

#### *The Spirit of Capitalism*

Butler-Bowdon explores the philosophical base of the system in which most of us live. Prominent examples include: Adam Smith's *Wealth of Nations* (1776), Karl Marx's *Capital* (1867), Joseph Schumpeter's *Capitalism, Socialism, and Democracy* (1942), Karl Polanyi's *The Great Transformation* (1944), and Milton Friedman's *Capital and Freedom* (1962).

#### *Growth and Development*

The books dealt with in this section are recipes for a more prosperous world. Ha-Joon Chang's *23 Things They Don't Tell You about Capitalism* (2012), Peter Drucker's *Innovation and Entrepreneurship* (1985), Michael E. Porter's *The Competitive Advantage of Nations* (1990), E.F. Schumacher's *Small Is Beautiful* (1973), and Hernando de Soto's *The Mystery of Capital* (2003).

#### *Adventures in Money and Finance,*

These books are accounts of booms and busts and the steady process of getting rich

slowly. The crucial books recommended in this section are: Liaquat Ali Khan's *Lords of Finance* (2009), Niall Ferguson's *The Ascent of Money* (2008), Michael Lewis's *The Big Short* (2011), and Joseph Stiglitz's *The Euro* (2016).

#### *Government, Markets and the Economy*

These books treat citizens as producers and consumers. They include: John Maynard Keynes's *The General Theory of employment, Interest, and Money* (1936), Paul Krugman's *The Conscience of the Liberal* (2007), Dani Rodrik's *The Globalization Paradox* (2011), Amartya Sen's *Poverty and Famines* (1981), Naomi Klein's *The Shock Doctrine* (2007), Diane Coyle's *GDP* (2014), and Thomas Piketty's *Capital in the Twenty-First Century* (2014).

#### *Behavioral Economics*

This last collection reflects economics in the real world. The recommended are Richard Thaler's *Misbehaving* (2015), Steven Levitt and Stephen J. Dubner's *Freakonomics* (2005), and Elinor Ostrom's *Governing the Commons* (1990).

In each chapter, Butler-Bowdon provides a couple of key quotes from each book, single sentences in an "in a nutshell" section, the "similar vein" features, and a brief biography. For example, in Chapter 32, Thomas Piketty's *Capital in the Twenty-First Century*, Butler-Bowdon's in a nutshell says that "Unless governments introduce new forms of taxation and ways of increasing social mobility, we are heading for levels of income inequality not seen since the nineteenth century – and possible political upheaval (p. 216)", and he introduces the similar vein to the reader to read Karl

Marx's capital, Paul Krugman's *The Conscience of a Liberal*, Dani Rodrik's *The Globalization paradox*, and Hernando de Soto's *The Mystery of capital*, in order to understand the whole ideas of the capital. At the end, these 50 economic books are put in the chronological list of titles (pp.352-353).

Significantly, Butler-Bowdon also provides *50 More Economics Classics* (pp. 345 - 351) for further reading.

## COMMENTS

I think this book is a very fascinating book, in terms of a corrective to this kind of attitude - *the greatest books distilled*. There has been encouraged an unfortunate narrowness of perspectives among economic thinkers. I strongly believe that this book will inspire readers to read the featured books in full version and do further reading and research. Also, it will help readers to get the broad ideas for the themes they are interested in. In each chapter, readers will find short quotes from the original books, useful one-line nutshells from Butler-Bowdon and the "similar vein" feature, which all illustrate Butler-Bowdon's great style of writing.

As Butler-Bowdon's mention, the focus of this book is "political economy" rather than "economics" in its narrowest sense (p. 2). He does it much better when he presents "political economy", in terms of a holistic vision of an economy, as we can see through the writings of Adam Smith, David Ricardo, Thomas Malthus, Naomi Klein, and Thomas Piketty.

In my view, the advantage of the book itself is it helps to create an intellectual side-by-side comparison between positions. That is, readers can enjoy the pleasure of reading through side-by-side reading of the two

preferable themes - *Growth and Development* and *Government, Markets and the Economy*, for example, by reading Chapter 36: David Ricardo's *Principles of Political Economy and Taxation* (1817) (pp. 244 - 251). I can assure professional economists, economic students, and general readers will they will be delighted and find that the book enthusiastically provides room to explore each topic further.

As mentioned earlier, this book will inspire readers to read the full versions. However, this also brings me to the opposite point. That is, sometimes, it is not necessary to look back at the original book because Butler-Bowdon's renderings of the discussion of the classic texts is done so well using his unique style.

As Butler-Bowdon writes "our lives are regulated by laws, political institutions, and social norms as much as they are by the market (p. 2)". This is an affirmative statement that we do not live in an economy, but in some variant of a political economy, which can either be thought of in terms of being *capitalist* with welfare provisions or *authoritarian* with market elements.

Butler-Bowdon fully assists his readers by helping them to get a feeling for the broad ideas, which are running through the book. If one, for example, is interested in finding out what *Freakonomics* (2005) is about, the reader will see the sentence "*Economics is not a normal science, more an observation of how incentive work*", below the title, to present the general idea of the whole book. Another example is *Misbehaving: The Making Behavioral Economics* (2015), readers will see the sentence "*How psychology has transformed the economic discipline*", which generally tells readers all about the main idea of the book.

### Why it is better to read

The books are chosen to put in this collection because they themselves are great to read to discover the details of their argument. In my view, there are a few reasons that confirm that *50 Economics Classics* is much better than other books in the same category.

Firstly, most of the 50 important economic books on Butler-Bowdon's list definitely take a lot of time read and understand. In some ways, this can be interpreted as Butler-Bowdon needed a lot of time to furnish evidence and collect the examples to back up the theories, which makes the book much more pleasurable to read. For example, Thomas Piketty's *Capital in the Twenty-First Century* (2014), or Michael E. Porter's *The Competitive Advantage of Nations* (1990).

Secondly, Butler-Bowdon makes the best effort to put it in very plain language. For example, I personally like it when Butler-Bowdon describes his own opinion to praise Paul Samuelson and William Nordhaus's *Economics* (1948), in his "final comments" in unadorned language as "...Deirdre McCloskey invented the term "Samuelsonian" to denote an approach to the discipline that assumed human beings were much more rational than they actually are. This flaw notwithstanding, in a discipline of competing ideologies that book stands out for its moderation. Samuelson died in 2009, but his realism about the role of markets and government lived on in many of his students, who included George Akerlof, Joseph Stiglitz, and Paul Krugman (p. 265)".

Thirdly, Butler-Bowdon's writing included a range of people, who do not just come from a group of academic economists, but also

includes historians, journalists, investors, business professors, political scientist, and sociologists. These have been influenced by areas of knowledge beyond economics, including literature, philosophy, psychology, business, sociology and political science.

Lastly, all of the books in Butler-Bowdon's list are undeniable important ones, and must be inevitably put in any list of this sort dealing with economics. Also, the selection of these writings is intriguing in that it makes economics come alive.

### CONCLUSION

Undoubtedly, reading this book will help readers to save time and money. More importantly, this is an excellent book that reflects that readers should care about the ideas in all 50 of the books in the collection, which are inevitably relevant to our lives today. The books are chosen not only because they are important, but also most of them are genuinely great to read. Butler-Bowdon mentions in his book that "as a social science, economists must be concerned only with what works to go beyond *ideology* (p. 7)". This means that if we have to make the choice between living under a *socialist* system or *capitalist* system, this compelling book clearly tells us that the *capitalist* system is much better at providing things that we value.

Last but not least, reading this fascinating book will help readers to know a bit more about *capitalism*, which is, after all, the system under which most of the world's population now lives. At this stage, after reading this book, we all can go beyond ideology and get a better understanding of what economists are concerned about. I know that you, as academic economists, economic

students, and general readers who are interested in economics, will not want to miss the opportunity to read this significant book.